
FEDERAL HOUSING FINANCE AGENCY



NEWS RELEASE

For Immediate Release
January 8, 2014

Contact: Corinne Russell (202) 649-3032
Stefanie Johnson (202) 649-3030

FHFA Directs Fannie Mae and Freddie Mac To Delay Guarantee Fee Changes

Washington, DC – In early December, the Federal Housing Finance Agency (FHFA) announced plans to increase the base guarantee fee (g-fee) for all mortgages by 10 basis points, update the up-front g-fee grid, and eliminate the up-front 25 basis point adverse market fee that has been assessed on all mortgages purchased by Fannie Mae and Freddie Mac since 2008 effective in March and April 2014. FHFA announced today that it has directed Fannie Mae and Freddie Mac to delay implementation of these changes.

FHFA Director Melvin L. Watt, who was sworn in as Director on January 6, said that he intends to conduct a thorough evaluation of the proposed changes and their likely impact as expeditiously as possible, and would give not less than 120 days' notice after completing the evaluation before implementing any changes. "The implications for mortgage credit availability and how these changes might interact with the new qualified mortgage standards could be significant," said Watt. "I want to fully understand these implications before deciding whether to move forward with any adjustments to g-fee pricing."

###

The Federal Housing Finance Agency regulates Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. These government-sponsored enterprises provide more than \$5.5 trillion in funding for the U.S. mortgage markets and financial institutions.